



Office of the Comptroller of the Currency

Interpretations - Conditional Approval #209

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June 24, 1996

Mr. Steven B. Nyquist
Dorsey & Whitney LLP
Pillsbury Center South
220 South Sixth Street
Minneapolis, MN 55402-1498

Re: State To National Conversion First Trust Washington, Seattle, Washington
96-MW-01-0013

Dear Mr. Nyquist:

The Comptroller of the Currency (OCC) has reviewed your request, dated April 30, 1996, to convert First Trust Washington to a national trust bank with fiduciary powers. After a thorough review of all information available, we find that your request meets the requirements for preliminary conditional approval to convert to a national trust association as follows:

Title: First Trust National Association

Location: Seattle, Washington

This approval is based in part upon the institution's representation that, prior to conversion, the capital structure will be realigned to comply with the minimum capital requirements of 12 U.S.C. 35, 36, 51 and 371d. Also, the converting institution must obtain any other required regulatory approvals.

This preliminary approval is subject to the following:

1. Directors must own qualifying shares prior to conversion to a national banking association in conformance with 12 U.S.C. 72 and 12 C.F.R. 7.2005.
2. The institution must apply for membership to the Federal Reserve Bank in accordance with 12 C.F.R. 209, if applicable.
3. The institution must have a full-time cashier or otherwise provide for the cashier's dues to be assigned (see 12 C.F.R. 7.2015).
4. The bank shall have adequate fidelity bond coverage in accordance with 12 C.F.R. 7.2013, which lists four factors that directors should consider to determine adequacy.

The approval also is subject to the following three special conditions, which shall be deemed to be "conditions imposed in writing by the agency in connection with the granting of any application or other request" within the meaning of 12 U.S.C. 1818(b)(1).

1. First Bank System, Inc., (FBS) its affiliates, successor owner(s), or the bank, may not take any action that would materially alter FBS's or a successor owner's ownership interest in the bank without prior OCC approval, except when that change in ownership is subject to the prior approval of another federal depository regulatory agency. If the OCC considers a change in ownership, it will apply the definitions and standards in the Change in Bank Control Act and the OCC's implementing regulation (12 U.S.C. 1817(j) and 12 CFR 5.50) in determining whether a change in FBS's or a successor's ownership interest is material and whether to approve a proposed change.
2. First Trust National Association ("bank") shall assure that the bank operations are limited to that of a trust bank and that deposits other than trust funds are not accepted.
3. The limitations of the bank's activities must be fully enumerated in the bank's Articles of Association. Specifically, the articles must state clearly that:
 - The business of the association will be limited to that of a national trust bank.
 - The bank must obtain the prior written OCC approval before amending its Articles of Association to expand the scope of its activities and services.
 - Transfers of the bank's stock are subject to prior approval of a federal depository institution regulatory agency. If no other agency approval is required, the OCC's approval must be obtained prior to the transfers. When OCC approval is required, it will apply the definitions and standards of the Change in Bank Control Act and the OCC's implementing regulation (12 U.S.C. 1817(j) and 12 CFR 5.50) to ownership changes in the bank.

If the conversion is not consummated within six months from the date of the decision, preliminary approval will be withdrawn. The OCC is opposed to granting extensions, except under the most extenuating circumstances, and expects the conversion to occur as soon as possible.

Enclosed are various forms to be executed for this proposal and instructions for their completion. These must be completed and submitted to our office prior to the effective date of the conversion. If you have any questions about these forms or the instructions, please contact Analysis Specialist Judy Bollig at (816) 556-1860.

The OCC will send you under separate cover an appropriate set of OCC handbooks, manuals, issuances and selected other publications.

If you have any other questions, please contact National Bank Examiner Jill K. Kennard at (816) 556-1860.

A separate letter is enclosed requesting your feedback on how we handled your application. We would appreciate your response so we may improve our service.

Sincerely,

/s/

Robert R. Klinzing
Deputy Comptroller

Enclosures: Checklist for the Organization of a New National Bank